

Message Text

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PAGE 01 STATE 132620
ORIGIN EB-08

INFO OCT-01 EUR-12 NEA-11 ISO-00 CAB-02 CIAE-00
COME-00 DODE-00 DOTE-00 INR-10 NSAE-00 FAA-00
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DRAFTED BY EB/OA/AVP:JMROBERTS:PMA
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-----106957 242343Z /13

P R 242211Z MAY 78
FM SECSTATE WASHDC
TO AMEMBASSY KATHMANDU PRIORITY
INFO AMEMBASSY ROME

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E.O. 11652: N/A

TAGS: EAIR, BBAK

SUBJECT: RNAC'S SECOND JET

REF: KATHMANDU 2416

1. IN REGARD TO THE SALES PRICE OF THE B727-100, IT'S
DIFFICULT TO TELL WHETHER RNAC GOT TAKEN. DEPARTMENT
LEARNED THAT BATCH AIR'S INITIAL AND FINAL SALES PRICES
TO RNAC WERE THE SAME - 4.5 MILLION DOLLARS - BUT WAS
UNABLE TO CONFIRM WHETHER THE .9 MILLION FOR THE MORE
POWERFUL ENGINES WAS IN ADDITION TO OR PART OF THE 4.5
MILLION. WHAT IS CLEAR IS THAT EITHER SUM IS ABOVE THE
AVERAGE PRICE FOR USED 727-100 AIRCRAFT. DEPARTMENT
WAS ALSO UNABLE TO TRACK DOWN SUSPICION THAT BATCH AIR
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HAD AN EARLIER PRICE TAG OF 2.5 MILLION FOR THIS AIRCRAFT.

2. AS EMBASSY CAN APPRECIATE, USED AIRCRAFT PRICES ARE
DEPENDENT UPON A NUMBER OF FACTORS AND RESPOND SNAPPILY
TO SUPPLY AND DEMAND. FOR EXAMPLE, OUR INQUIRIES
DISCLOSED THAT CURRENT PRICE FOR A USED B727-100 RANGES
BETWEEN 3.8 AND 5.2 MILLION DOLLARS WITH THE FINAL

PRICE A FUNCTION OF SUCH FEATURES AS CABIN CONFIGURATION, TOTAL AIRFRAME FLIGHT HOURS, OVERALL CONDITION, ENGINE LIFE-REMAINING (BEFORE REPLACEMENT IS ADVISABLE),

AIRCRAFT AVAILABILITY, AND EXISTING WORLD-WIDE LEVEL OF DEMAND FOR ADDITIONAL AIRCRAFT SEAT OR CARGO CAPACITY. (FOR FURTHER INFORMATION, DEPARTMENT WILL POUCH COPY OF A 11 MARCH 78 FLIGHT INTERNATIONAL PUBLICATION TITLED "AIRLINES PRICES GUIDE 1978" FOR YOUR REVIEW).

3. IN REGARD TO GENERAL REPUTATION OF KENNEDY AND DELTA OVERSEAS CORPORATION, WE WERE LESS SUCCESSFUL. COMMERCE WAS UNABLE TO OBTAIN ANY INFORMATION BEYOND WHAT EMBASSY SUPPLIED ABOUT EITHER THE INDIVIDUAL OR THE CORPORATION. THEY ARE UNKNOWN TO THE AVIATION INDUSTRY. (FOLLOWING SOURCES WERE CHECKED: DUNN AND BRADSTREET, STANDARD AND POORS, BETTER BUSINESS BUREAU, PHONE DIRECTORY, LOS ANGELES CHAMBER OF COMMERCE, AND THE AMERICAN INT'L TRADE REGISTER). DEPARTMENT WILL FORWARD WHATEVER ADDITIONAL INFORMATION WE OBTAIN FROM SEVERAL OTHER SOURCES YET TO REPORT. CHRISTOPHER

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Message Attributes

Automatic Decaptioning: X
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